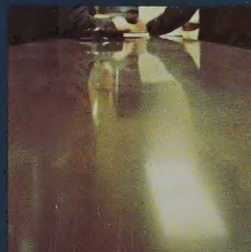
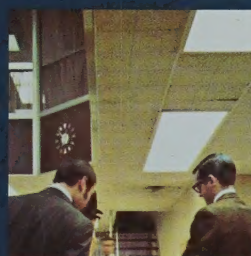


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Annual Report 1968

The Board of Directors

* Chairman of the Board and the Executive Committee:

Roland Bock, Montreal;
President, Bock & Tétreau Limitée

* President of the Bank:

Léo Lavoie, Montreal

* Honorary President:

J.-Ubaldo Boyer, Montreal

* Vice-President:

Cecil F. Carsley, M.B.E., Montreal
President, Canada Vinegars Limited

* Vice-President:

Lucien Massé, C.A., LL.D., Ottawa
President, Société Gazifère de Hull Inc.

Marcel Bélanger, M.A., C.A., Quebec
Partner, Bélanger, Dallaire, Gagnon & Company

Hervé Belzile, C.A., Montreal
President, Alliance Mutual Life Insurance Company

Benoît Benoit, St. Hyacinthe
President, La Compagnie d'Assurance Générale de Commerce

* Ignace Brouillet, D.Ap.Sc., Eng., Montreal
Partner, Brouillet, Carmel, Boulva & Company

Roland Chagnon, C.A., Montreal
President, Lallemand Inc.

Charles-E. Demers, Eng., Quebec
Vice-President, Komo Construction Inc.

Paul-A. Dionne, Montreal
President, Dionne Limitée

* Charles-J. Gélinas, Q.C., Montreal
Partner, Gélinas, Bourque, Benoit, Bélanger et Lortie

Paul-H. Plamondon, Quebec
Vice-President, La Solidarité compagnie d'assurance sur la vie

J.-Olier Renaud, Q.C., Montreal
Partner, Renaud & Renaud

Arthur Simard, Q.C., Sorel
Chairman of the Board, Marine Industries Ltd.

Antoine Turmel, Sherbrooke
President, Denault Limitée

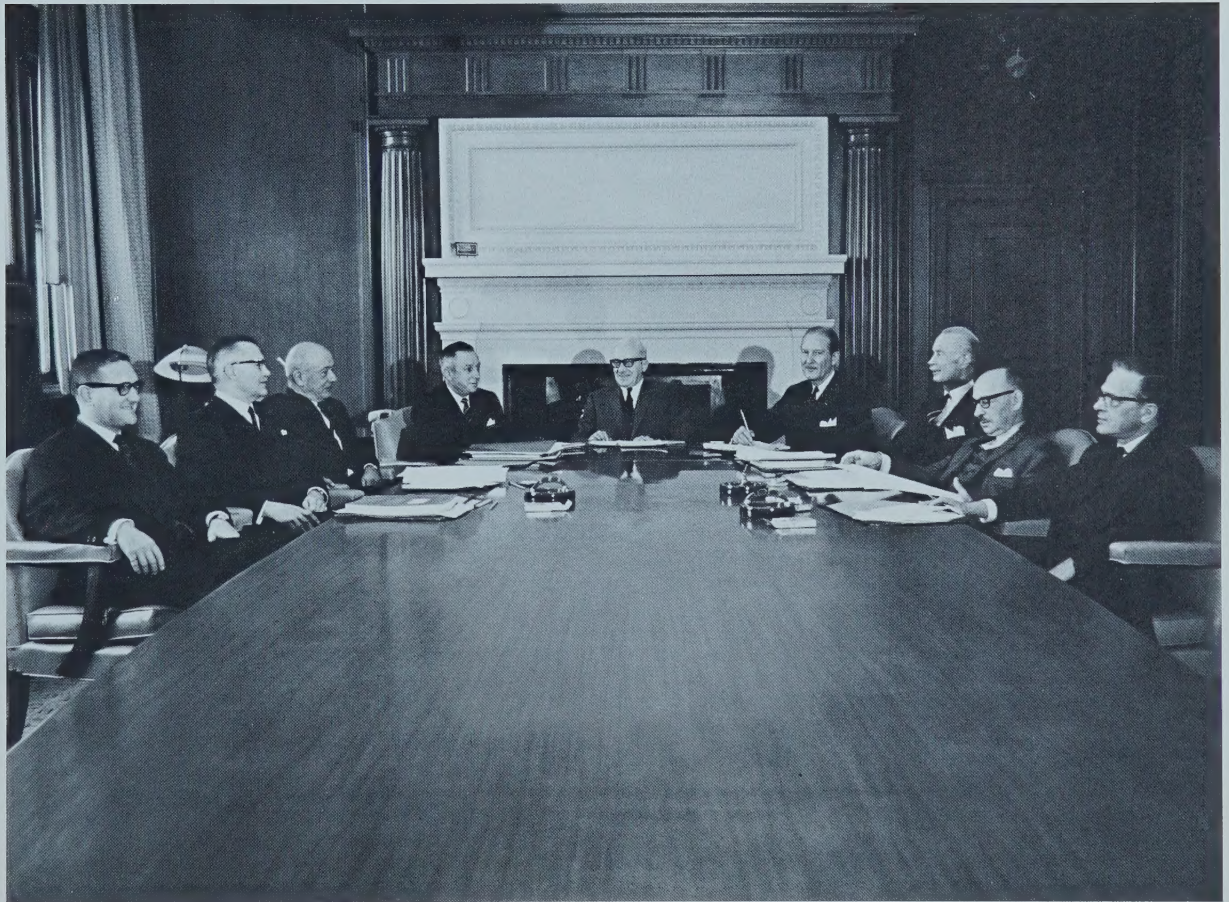
G. J. van den Berg, Montreal
Vice-President, Finance, Canadian Pacific Railway Company

* Member of Executive Committee

Executive Committee

from left to right:

Raymond Primeau	<i>General Manager</i>
Charles-J. Gélinas	<i>Director</i>
Ignace Brouillet	<i>Director</i>
Léo Lavoie	<i>President of the Bank</i>
Roland Bock	<i>Chairman of the Board and the Executive Committee</i>
J.-Ubaldo Boyer	<i>Honorary President</i>
Cecil F. Carsley	<i>Vice-President</i>
Lucien Massé	<i>Vice-President</i>
René Cousineau	<i>Secretary</i>



Executive Officers of the Bank

Léo Lavoie	<i>President and Chief Executive Officer</i>
Raymond Primeau	<i>General Manager</i>
Maurice Bigras	<i>Assistant General Manager</i>
L.-P. Larose	<i>Assistant General Manager</i>
Jean Machabée	<i>Assistant General Manager</i>
Antonio Malfara	<i>Assistant General Manager</i>
Gilles Mercure	<i>Assistant General Manager</i>
René Cousineau	<i>Secretary</i>
Georges Fortin	<i>Assistant to the General Manager</i>
Richard Lapointe	<i>Chief Accountant</i>
Henri-J. Richard	<i>Chief Inspector</i>
Roland-A. Béland	<i>Superintendent, Administration</i>
J.-R. Brunelle	<i>Superintendent, Eastern Townships-St. Maurice</i>
Lawrence Cyr	<i>Superintendent, Windsor, Ont.</i>
Grégoire Doyon	<i>Superintendent, Quebec</i>
Lawrence Labonté	<i>Superintendent, St. Lawrence Valley</i>
Gérard Lacerte	<i>Superintendent, Laurentians-Ottawa</i>
François Lapierre	<i>Superintendent, Montreal</i>
Alphonse-Y. Melanson	<i>Superintendent, Maritimes</i>
Gilles Roch	<i>Superintendent, Montreal-des-Prairies</i>
Gaston Bertrand	<i>Manager, Marketing</i>
Herbert C. Byleveld	<i>Manager, Economic Research</i>
Gaston Gauthier	<i>Manager, Legal</i>
Roger Gauthier	<i>Manager, Mortgage Loans</i>
Georges Lachance	<i>Manager, Bank Premises</i>
André Pasquin	<i>Supervisor, Foreign Business</i>
Léon Pilon	<i>Manager, Investments</i>
Claude Primeau	<i>Manager, Personnel</i>
J.-Léon Pronovost	<i>Manager, Security</i>
Raymond Rémillard	<i>Manager, Budget Loans</i>
Robert Savard	<i>Manager, Data Centre</i>
Réal Tardif	<i>Manager, Business Development</i>
Robert Teasdale	<i>Manager, Routine</i>

Management Committee

from left to right:

Georges Fortin	<i>Assistant to the General Manager</i>
Maurice Bigras	<i>Assistant General Manager</i>
Jean Machabée	<i>Assistant General Manager</i>
L.-P. Larose	<i>Assistant General Manager</i>
Raymond Primeau	<i>General Manager</i>
René Cousineau	<i>Secretary</i>
Gilles Mercure	<i>Assistant General Manager</i>
Antonio Malfara	<i>Assistant General Manager</i>



Minutes

Minutes of the sixty-eighth annual general meeting of the Shareholders of The Provincial Bank of Canada, held at the Queen Elizabeth Hotel, 900 Dorchester Blvd. West, Montreal (Canada), on the 10th of December 1968, at three-thirty o'clock in the afternoon.

The President, Mr. Léo Lavoie, occupied the chair and Mr. René Cousineau acted as Secretary of the meeting. The Chairman appointed as Scrutineers Messrs. Henri-Paul Lemay and Hébert Chrétien and their nomination was approved unanimously by the meeting. At the request of the Chairman, the Scrutineers confirmed, for record purposes, that there was a quorum and the Secretary then read the notice calling the meeting and an affidavit concerning publication of said notice.

The minutes of the last annual general meeting, having been addressed to all Shareholders, were taken as read on a motion of Mr. A. J. Bodin, seconded by Mr. Jean Guimond, and unanimously adopted.

Directors' Report

Following this, the Secretary read the report of the Directors: *'Your directors have pleasure in presenting the Bank's annual statement for the year ended October 31, 1968, containing the statement of assets and liabilities of the Bank and Pro-Can Realties Limited as at October 31, 1968, the statement of revenue, expenses and undivided profits, the statement of accumulated appropriations for losses, and of the rest account for the latest financial year.*

During the year, five new branches were opened, one agency was converted into a branch, while thirty-one agencies were closed. As at October 31, 1968, the Bank had 211 branches and 115 agencies.

All branches and agencies were inspected by the Inspection Department of the Bank and the cash and securities at Head Office were verified.

The Shareholders' auditors, Messrs. Guy Chabot, C.A. and Guy Fortier, C.A., audited the Bank's records and those of

Pro-Can Realties Limited, a company controlled by the Bank, and their reports are appended to each statement. Your Directors express their appreciation to the officers and staff of the Bank for the loyal co-operation they have shown in the discharge of their duties.

*For the Board of Directors,
(signed) Léo Lavoie,
President.*

Montreal, December 10, 1968.'

The Shareholders having already received copies of the financial statements for the fiscal year ended October 31st, 1968, it was proposed by Mr. Gilles Mercure, seconded by Mr. F. Robitaille, and unanimously resolved that they be considered as read and adopted.

The President then commented on the Canadian economy and subsequently, called upon Mr. Raymond Primeau, General Manager, to present the financial statements. On a motion of Mr. Léo Lavoie, seconded by Mr. Roland Bock, the report of the Directors was unanimously adopted.

Mr. Samuel L. Gagné proposed a vote of congratulations in the following terms:

'We have just heard information which is both agreeable and encouraging, not only for shareholders and clients of The Provincial Bank of Canada, but for all Canadians and for French Canadians in particular.

Your comments, Mr. President, and those of the General Manager, speak for themselves: an increase of 18 per cent in assets; revenues of \$49 million, amounting to an increase of 25.3 per cent over the previous financial year; balance of revenue over expenses of \$8,136,760, equal to a rise of 28 per cent over last year; deposits of \$712 million, an increase of 18.6 per cent; loans at \$486 million, up 25.2 per cent; continuing renewal of the image the Bank presents to the public; introduction of Bancardchek, a system of instant, rotating credit; six new branches in promising locations; an economic research department and publications; innovation in theft prevention and I am leaving out other developments.

Such progress is obviously not achieved just by chance; it reflects the very high quality of management in The Provincial Bank of Canada.

Mr. President, I have the honor and the pleasure to propose a vote of thanks and sincere congratulations to you, to the directors, to the general manager and to the entire personnel of The Provincial Bank of Canada, the devotion and courtesy of which are witness to the competence and ability of management.'

Mr. Bernard Palevsky seconded Mr. Gagné as follows:

'I am pleased to join Mr. Samuel Gagné in his comments and I warmly second his motion of congratulations to the President and his colleagues of the Board of Directors, the General Manager and the Personnel of the Bank.'

Then, at the request of the President, Mr. Raymond Primeau, General Manager, thanked the Shareholders for their vote of appreciation:

'C'est pour nous une tâche des plus agréable que de souligner toute l'appréciation que nous portons à nos actionnaires.

We are highly appreciative of the continued support given to us by our shareholders. With the new powers granted to us in 1967 by the latest revision of the Bank Act, we have been endeavouring to bring to our Bank the most modern standards of management within our competitive industry, and whereas we wish to accelerate the expansion of the Bank, we also consider it our duty to make the most adequate use of our shareholders' equity.

Nous ne saurions trop insister sur l'importance que tout notre personnel apporte à l'administration des affaires de la Banque. Plus le commerce bancaire devient compétitif, plus nous sommes alors redevables à nos actionnaires pour la confiance qu'ils continuent de nous accorder. Aussi désirons-nous les remercier bien sincèrement et leur réitérer l'assurance du plus entier dévouement de tout notre personnel aux affaires de la Banque.'

The Scrutineers reported that the number of shares represented by Shareholders present at the meeting was 154,399 and that the number of shares represented by proxy was 2,876,354, forming a total of 3,030,753 or 67.3% of the capital stock.

Appointment of Auditors

It was moved by Mr. Lucien Viau, seconded by Mr. Léopold Deslauriers, that Messrs. Guy Chabot, C.A., of Raymond, Chabot, Martin, Paré & Cie, and Guy Fortier, C.A., of Boulanger, Fortier, Rondeau & Cie, be appointed Auditors for the ensuing year, that their remuneration be not more than \$21,000 and that their fees be divided between them in proportion to the time they will have devoted to the Bank's business.

Appointment of Proxies for Pro-Can

It was also moved by Mr. Lorenzo Brisson, seconded by Mr. Joseph Proulx, that in accordance with the Bank Act, Mr. Léo Lavoie, or failing him, Mr. Roland Bock, or failing them, Mr. C. F. Carsley, be appointed to act as proxy for the Bank at any and all meetings of the Shareholders of Pro-Can Realities Limited, a corporation controlled by the Bank.

Upon receiving the Scrutineers' report, the Chairman declared these two motions carried unanimously.

Amendments to Shareholders' By-Laws Nos. 6 and 7

The Chairman then explained the nature of the amendments suggested to shareholders' By-Laws Nos. 6 and 7.

Mr. Hervé Chapdelaine moved, seconded by Mr. Jean-Paul Ravary:

1° That Shareholders' By-law No. 6 be replaced by the following one:

'The Directors are authorized to appoint an executive committee from among their number and to fix the powers of that committee, in accordance with the Bank Act.'

2° That Shareholders By-law No. 7 be replaced by the following one:

'In each year, the Board of Directors is authorized to take

from the funds of the Bank: (a) an amount not exceeding eighty-five thousand dollars as remuneration to the Directors, which sum may be apportioned among themselves in such manner as they shall think fit, and (b) an additional amount not exceeding twenty-five thousand dollars as remuneration for executive committee purposes.'

The Scrutineers submitted their report and the Chairman declared these amendments duly adopted.

Election of Directors

The meeting then proceeded with the election of Directors. It was moved by Mr. Pierre Des Marais II, seconded by Mr. Léon Toussaint, that the following Shareholders be elected Directors for the ensuing year, that a vote be taken for their election and that a single ballot be cast if there were no other names proposed: Messrs. Marcel Bélanger, C.A., Hervé Belzile, C.A., Benoit Benoit, Roland Bock, J.-Ubald Boyer, Ignace Brouillet, Eng., C. F. Carsley, M.B.E., Roland Chagnon, C.A., Charles-E. Demers, Eng., Paul-A. Dionne, Charles-J. Gélinas, Q.C., Léo Lavoie, Lucien Massé, C.A., Paul-H. Plamondon, J.-Olier Renaud, Q.C., Arthur Simard, Q.C., Antoine Turmel and G. J. van den Berg. No other names being proposed and upon receiving the Scrutineers' report, the Chairman declared the above-mentioned Shareholders elected to the Board of Directors for the current year.

Other Business

Afterwards, the President invited the Shareholders who had questions to ask about the deliberations of this meeting, to express themselves.

A Shareholder then submitted a proposition concerning the Bank's consumer loans, but this proposition was not acceptable to the meeting.

The meeting then adjourned.

At a special meeting of the Board of Directors held subsequently to the meeting of Shareholders, the following officers were elected for the coming year:

Chairman of the Board: Mr. Roland Bock

President of the Bank and Chief Executive Officer: Mr. Léo Lavoie

Honorary President: Mr. J.-U. Boyer

Vice-Presidents: Mr. C. F. Carsley and Mr. Lucien Massé.

Address by the President

The year 1968 has brought many happy developments for the Bank and has ended on a strong note, as you will notice from the comments of the General Manager later on in the meeting.

The Board of Directors has remained the same since our last general annual meeting, but a change is in prospect for the current financial year. According to Section 18 of the new Bank Act, a director of a trust company accepting deposits from the public is not allowed to be a member of the board of a chartered bank after December 31, 1969. Mr. Jacques Brillant, vice-president of The Administration and Trust Company and president of the Executive Committee of that company, does not wish to wait until this section comes into operation and has requested us to omit his name from the slate of directors to be proposed for reelection during this meeting. We express our thanks to Mr. Brillant for his participation in the work of the Board during his term of office. To fill the vacancy created by the departure of Mr. Brillant, the election of Mr. Hervé Belzile, C.A., president of the Alliance Mutual Life Insurance Company, will be proposed to you during this meeting. Mr. Belzile is well known in the business community and we are convinced that upon election he will be a valuable addition to the Board of Directors.

Moderate growth has been the keynote of the Canadian economy in 1968. Gross national product will probably increase by about 8 per cent, of which 4.5 per cent should represent real growth and 3.5 per cent the average rise in the prices of all transactions incorporated in GNP. There is still much to be done before it can be said that inflation has subsided, or at least been reduced to the limit of 2 per cent per annum, the goal recommended by the Economic Council of Canada. As regards the real growth rate (exclusive of price factors), it is not far from the 5 per cent which the Council has set as a norm for the next few years.



Léo Lavoie, President

The consumer sector

Consumers always absorb the largest part of our national output of goods and services — more than 60 per cent, in fact. On the whole, personal spending grows from year to year in a fairly regular and predictable manner. The rate of increase has been around 8 per cent and early data for 1968 seem to suggest that this year's increase will be approximately of the same magnitude. During the first half of 1968, spending on consumer services has grown slightly more than the average of all personal outlays, and expenditures on durables and non-durables, a little less.

The sway of inflation extends to the consumer sector. On the average, people have had to spend 4 per cent more in 1968 to obtain the same "basket" of consumer goods, and the same variety of personal services, as in 1967.

Capital spending

The normally uneventful progress of consumer spending indicates that the irregular forces likely to affect the strength and direction of economic trends have to be found elsewhere. Some years ago, during 1964-1966 in particular, business capital formation furnished the driving energy. During each of these three years, increases of about 20 per cent were recorded in this sector. Such unusual expansion could obviously not be sustained and a slight decline — about three per cent — occurred in 1967. In 1968, fixed capital formation by commerce and industry is on the upswing again and seems to be heading for a volume not unlike 1966. There are some cross-currents at work; the dollar value of physical investments in the manufacturing industry, for instance, will probably stay this year well below the summit reached in 1966.

Residential construction

A notable expansion in residential building has occurred in 1967 and 1968. The number of dwelling units started in 1967 reached 164,000, which amounted to an increase of 30,000 units over the preceding year. Forecasts for 1968 visualize 185,000 units. An analysis of the data since 1960 shows a levelling off in the construction of single-family homes and over the long run an upward trend in apartments and other multiple-unit buildings.

The spending of governments

Spending of federal, provincial and municipal governments on goods and services increased in 1966 by 17 per cent and in 1967 by 10 per cent. Its growth in 1968 would seem to be of the same order as in the preceding year.

The three levels of government take a steadily increasing part of our national output. In 1967, it was 20 per cent and it should be somewhat higher still in 1968.

Ten years ago the same categories of government spending accounted for 18.8 per cent of gross national product. At first glance, the increase seems modest. However, total

spending is of two kinds: civil and military. The latter group declined relatively from over 5 per cent of GNP in 1958 to less than 3 per cent now; consequently, the share of GNP going to various governments for civil purposes has increased by nearly one-third in a decade.

Foreign trade

Exports displayed considerable vigor in 1968, increasing by 19 per cent during the first ten months of the year over the comparable period of 1967. The annual increase in 1967 amounted to 11 per cent and in 1966 to 18 per cent. Two-thirds of our shipments abroad now go to the United States, compared to 64 per cent last year and 60 per cent two years ago. Our prosperity becomes transparently more dependent on business conditions in the United States.

Imports have expanded too, but less so: the records show a 12 per cent growth for the January to October, 1968 period over last year. Once again, it is fitting to single out the United States, this time as our most important supplier. Our Southern neighbours provided 74 per cent of our imports, a proportion that has gradually grown since 1960, when it was 67 per cent. Because the expansion of exports exceeded the growth of imports by a comfortable margin, our merchandise trade balance showed a surplus of nearly 1 billion dollars in the four quarters ending June 30, 1968. The deficit on current account at mid-year was thereby reduced to less than \$200 million, a marked improvement over earlier periods.

Key factors in 1968

Summing up, exports and residential construction stood out among the main props of our economy, with capital investment taking a breather.

Although 1968 has been a year of moderate momentum, unemployment has remained around 5 per cent. As in previous years, its impact has varied from region to region, with Quebec and the Maritimes more severely affected. The outlook for 1969 does not permit an optimistic assessment of possible improvement in this area, which would seem to call for structural rather than cyclical change. In this context, mention should be made of the agreement reached on May 26, 1968 between the federal government and the government of Quebec, aimed at modifying the economic framework of the Lower St. Lawrence and Gaspé regions, at the creation of new enterprise and the promotion of urban development and labor mobility. An amount of more than \$250 million has been set aside for development purposes in these areas during the period 1968 to 1973.

Monetary developments

The fall of the pound sterling in 1967 and the subsequent crisis of confidence in international money markets dominated monetary trends in Canada during the first half of 1968. Notwithstanding a vigorous expansion of exports in this period, the Canadian dollar was touched by the tempest, and the

Address by the President

central bank was obliged to let interest rates rise to a level corresponding to external rather than domestic considerations. Immediately after the devaluation of sterling on November 18, 1967, the Bank of Canada raised Bank Rate from 5 to 6 per cent. After the announcement, on January 1, 1968, of a U.S. balance of payments program seeking to limit capital outflows, anxiety took hold of actual or prospective holders of Canadian dollars and forward sales of Canadian dollars reached unusual dimensions. On January 21, Bank Rate was raised to 7 per cent and on March 15, another increment brought the rate to 7½ per cent. Money market rates followed in its wake, as did, with some differentiation, other short and long term interest rates.

Interest rate hikes have not been the only series of measures taken by monetary authorities in defense of the Canadian dollar. Among others were a number of agreements with the Administration in Washington, designed to ensure a continuation of the customary flow of capital from the United States to Canada. These agreements culminated in the accord of March 7, 1968, when the United States exempted Canada from all regulations limiting capital outflows. On the other hand, Ottawa confirmed its intention to take all necessary steps to prevent the outflow of U.S. capital, via Canada, to third countries.

The International Monetary Fund, the Federal Reserve System and several other institutions abroad put a considerable volume of foreign exchange at the disposition of the Bank of Canada, to enable the latter to meet speculative sales of Canadian dollars, should the need arise.

All these arrangements, as well as the improvement of the international situation after the stabilisation of the gold market and the fiscal measures taken in the United States, restored a measure of tranquility to the markets during the summer. Bank Rate in Canada came down to 7 per cent on July 2, to 6½ per cent on July 29 and to 6 per cent on September 3. The money supply held by the general public in October, 1968

was 12 per cent higher than a year before, compared to a 16 per cent annual growth observed in October, 1967. The expansion of the money supply in 1968 has mostly occurred after the reestablishment of more normal conditions during the summer; in May, the total of currency in circulation and chartered bank deposits amounted to \$24.5 billion, or about \$900 million more than in December, 1967. In October, 1968, the volume had reached \$26.6 billion, an increase of \$2 billion compared to May.

Notwithstanding the bulge in the money supply since early summer, interest rates have not come down to the level of mid-1967, in large part because of the continuing strong demand for capital, especially in the public sector and for housing. The relative height of long-term interest rates creates problems in residential construction, among municipalities and school commissions, as well as for small and medium-sized business enterprises — all sectors of the economy to which the operations of the Provincial Bank are closely related.

Outlook for 1969

What has the year 1969 in store for us? Exports will probably not be a driving force of the same magnitude as in 1968, considering that some special factors have been at work this year, such as strikes, or the fear of strikes, in the United States. The latest survey by Ottawa indicates that business capital investment may be stronger in 1969 than in 1968, especially in manufacturing and electric energy.

Consumer outlays may grow at a slightly slower rate, in current dollars, if the anti-inflationary policy of the federal government meets with some success.

Residential construction is influenced by the fiscal and monetary policy of the same government. Much attention is being given to problems in this area and housing starts during 1969 may well exceed those of this year.

The resultant of all these economic vectors points to a rate of economic growth for 1969 resembling 1968 in real terms, but accompanied by a slight moderation of inflationary tendencies.

So far for the short-term outlook. There are, however, some trends that have been with us for some time and which are likely to vex us well beyond 1969. They will require sustained attention on the part of governments and public alike.

The battle against inflation

The fight against inflation merits the attention that monetary authorities accord it. Nevertheless, monetary policy alone cannot support the weight of this battle. It would become too restrictive and run the risk, referred to earlier, of bearing too heavily on certain categories of borrowers. Other means are at hand and among those is fiscal policy. Government deficits of the order of recent years create pressures on financial markets, aggravate inflation and are contrary to the imperatives of a sound fiscal policy.

Spending in the public sector

We have already noted that total spending by three levels of government on goods and services absorbs nowadays 20 per cent of our national production. To this must be added another category of public spending swelling in volume all the time: the transfer of funds to the public in the form of payments for social welfare, health, education, subsidies and interest on the public debt. According to data for the first half of 1968, these outlays are now nearly 15 per cent of gross national product. The two types of public spending add up to nearly 35 per cent of gross national product in 1968, compared to 31 per cent three years ago.

Transfer payments alone appear to have grown during the last three years (1965-1968) at a rate averaging about 15 per cent per annum. The growth of the economy does not yield additional revenue from existing taxes at such speed.

The growing spread between public spending and revenue can be overcome in three ways: by borrowing, by increasing taxes or by moderating the rate of growth of public outlays. For the reasons advanced earlier, it seems impossible that governments can resort to borrowing any more than they are doing already. Tax increases hardly offer much more scope. Forced by rising expenditures, all levels of government — federal, provincial and municipal — have taken an increasing toll off the Canadian taxpayer. Would it be wise to press him any further? Would there not be a danger of stunting the effort and initiative of the active population and of business and thus harm the growth prospects of our economy? We are inclined to believe so.

There is another, although by no means easy, solution and that is to restrain the rate of growth of public spending.

How to reduce the growth rate of public spending

First of all, the public should face facts squarely and realize that the various governments are acting as its agents, and have no funds of their own. It is the public that supplies governments with money, either by paying taxes or by buying government securities. In short, it is the public at large that has to foot the bill for the services it demands of those that govern. The latter have no horn of plenty magically overflowing with all the good things the public might desire.

It is true that certain segments of the public are in a position to claim benefits from various governments, in the confident expectation that the bill will be paid by their fellow-citizens. The economically active population, those who make the effort to put their labor, their hard-won skills and knowledge, or their capital at the disposal of society in any productive undertaking, these people are becoming the pillars of our society. It is they who increasingly support the unemployed, the sick, the children, the students and the aged. The economically active population therefore has the right to demand of governments that optimal use be made of every tax dollar, to ensure the maximum of services in return. Governments

have an obligation to avoid stop-gap measures, to foresee needs before they become urgent and to provide themselves in good time with the means to the ends in view. This requires financial planning over the medium and long term. Too often, a new program is established on the assumption that some hundreds of millions of dollars are involved, and in a few years the costs spill over the billion dollar mark. For example, largely because of the introduction of hospital insurance, grants to hospitals, which amounted to some \$500 million in 1960, have risen to \$1.5 billion in 1967. No prophetic powers are needed to forecast a similar development for Medicare, if governments do not react against these tendencies.

Priorities have to be established. The public authorities obviously cannot move ahead full speed in three directions at once: in health, welfare and education.

It is but step one to agree which major area deserves priority under the prevailing circumstances. The amounts required are growing so fast that priorities have also to be established within the sector most urgently in need of funds. For example, public spending in Canada for education has increased from \$2.9 billion in 1965 to \$3.7 billion in 1966 and to \$4.3 billion in 1967; the 1968 figure is estimated to reach \$5.3 billion. This is equivalent to an annual growth rate of 22 per cent during 1965-68, compared to an increase of 9 per cent, on average, in our gross national product.

Frequently, in drawing up programs, our governments have spent considerable energy to arrive at an agreement between the parties involved, while postponing full consideration of the funds required to a later stage. Any type of planning that does not consider means and objectives simultaneously is an excursion to a land of Make-Believe.

Periods of profound changes in social and economic relationships tend to be years of upset, some unrest and self-questioning. On the other hand, they open up unexpected vistas for rapid progress in new directions. They are advantageous to those who know how to take hold of such situations, how to adapt to them, how to make the best of them. In short, it is not a question of opposing change. On the contrary, change has to be foreseen and even desired. But, to avoid regrets at a later stage, one should not start new departures until all the implications have been carefully studied. That is the lesson which experience has taught those who direct private enterprises. It is also a sound principle for the proper conduct of public affairs.

Statement of Assets and Liabilities

as at October 31, 1968

Assets

	1968	1967
Cash and due from banks	\$ 37,100,109	\$ 53,465,212
Cheques and other items in transit, net	39,482,311	29,987,285
	<u>76,582,420</u>	<u>83,452,497</u>
Securities issued or guaranteed by Canada, at amortized value	100,973,906	93,498,732
Securities issued or guaranteed by provinces, at amortized value	24,507,120	24,323,878
Other securities, not exceeding market value	53,607,958	37,695,711
	<u>179,088,984</u>	<u>155,518,321</u>
Day, call and short loans to investment dealers and brokers, secured	39,824,517	20,172,150
Other loans, including mortgages, less provision for losses	446,150,220	367,988,025
	<u>485,974,737</u>	<u>388,160,175</u>
Bank premises at cost, less amounts written off	7,427,652	6,841,613
Securities of and loans to a corporation controlled by the bank	5,340,414	5,256,591
Customers' liability under acceptances, guarantees and letters of credit, as per contra	3,244,104	2,354,594
Other assets	1,077,968	871,498
	<u>\$758,736,279</u>	<u>\$642,455,289</u>

Auditors' report to the shareholders

We have examined the statement of assets and liabilities of The Provincial Bank of Canada as at October 31, 1968, together with the statement of revenue, expenses and undivided profits and the statement of accumulated appropriations for losses for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the foregoing statements present fairly the financial position of the Bank as at October 31, 1968, and its revenue,

expenses and undivided profits and accumulated appropriations for losses for the year ended on that date.

Auditors:

Guy Chabot, C.A.,
of Raymond, Chabot, Martin, Paré et Associés

Guy Fortier, C.A.,
of Boulanger, Fortier, Rondeau et Cie

Montreal, November 13, 1968.

Liabilities

	1968	1967
Deposits by Canada	\$ 13,128,338	\$ 1,331,384
Deposits by provinces	10,198,331	4,981,563
Deposits by banks	3,831,466	2,416,624
Personal savings deposits payable after notice, in Canada, in Canadian currency	347,522,148	299,081,731
Other deposits	337,757,049	293,021,042
	<u>712,437,332</u>	<u>600,832,344</u>
Acceptancés, guarantees and letters of credit	3,244,104	2,354,594
Other liabilities	3,098,188	2,517,821
	<u>6,342,292</u>	<u>4,872,415</u>
Accumulated appropriations for losses	10,625,229	8,225,864
Capital:		
Authorized — 10,000,000 shares of \$2. each	<u>\$20,000,000</u>	
Paid up — 4,500,000 shares issued and fully paid	9,000,000	9,000,000
Rest account	20,200,000	19,400,000
Undivided profits	131,426	124,666
	<u>\$758,736,279</u>	<u>\$642,455,289</u>
Raymond Primeau, General Manager	Léo Lavoie, President	

Statement of Revenue, Expenses and Undivided Profits

for the financial year ended October 31, 1968

	1968	1967	Increase %
REVENUE:			
Income from loans	\$ 32,199,507	\$ 24,866,649	29.5
Income from securities	9,501,670	7,567,697	25.6
Other operating revenue	7,397,211	6,751,815	9.6
Total revenue	<u>49,098,388</u>	<u>39,186,161</u>	<u>25.3</u>
EXPENSES:			
Interest on deposits	19,319,020	13,950,690	38.5
Salaries, pension contributions and other staff benefits	12,994,667	11,363,853	14.4
Property expenses, including depreciation	3,912,782	3,447,947	13.5
Other operating expenses, including provision for losses on loans based on five-year average loss experience	4,735,159	4,068,201	16.4
Total expenses	<u>40,961,628</u>	<u>32,830,691</u>	<u>24.8</u>
Balance of revenue	8,136,760	6,355,470	28.0
Appropriation for losses	2,600,000	1,519,969	71.1
Balance of profits before income taxes	5,536,760	4,835,501	14.5
Provision for income taxes relating thereto	2,840,000	2,450,000	15.9
Balance of profits for the year	2,696,760	2,385,501	13.0
Dividends	1,890,000	1,665,000	13.5
Amount carried forward	806,760	720,501	12.0
Undivided profits at beginning of year	124,666	104,165	19.7
Total	931,426	824,666	12.9
Transferred to Rest account	800,000	700,000	14.3
Undivided profits at end of year	<u>\$ 131,426</u>	<u>\$ 124,666</u>	<u>5.4</u>

Statement of Accumulated Appropriations for Losses

for the financial year ended October 31, 1968

				1968	1967
Accumulated appropriations at beginning of year					
	1967		1968		
General	\$6,844,494	General	\$ 8,146,989		
Tax-paid	<u>\$ 218,287</u>	Tax-paid	<u>\$ 78,875</u>	\$ 8,225,864	\$ 7,062,781
Appropriation from current year's operations				2,600,000	1,519,969
Loss experience on loans less provision included in other operating expenses				(— 338,618)	(— 32,683)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market				162,576	(— 299,886)
Other profits, losses and non-recurring items, net				<u>(— 24,593)</u>	<u>(— 24,317)</u>
Accumulated appropriations at end of year					
	1967		1968		
General	\$8,146,989	General	\$10,212,817		
Tax-paid	<u>\$ 78,875</u>	Tax-paid	<u>\$ 412,412</u>	<u>\$10,625,229</u>	<u>\$ 8,225,864</u>

Statement of Rest Account

for the financial year ended October 31, 1968

	1968	1967
Balance at beginning of year	\$19,400,000	\$18,700,000
Transferred from undivided profits	<u>800,000</u>	<u>700,000</u>
Balance at end of year	<u>\$20,200,000</u>	<u>\$19,400,000</u>

Raymond Primeau,
General Manager

Léo Lavoie,
President

Pro-Can Realties Limited

Controlled Corporation

Balance Sheet as at October 31, 1968

Assets

Rent and other receivable		\$ 185,876
Land and buildings at cost, less depreciation		5,164,411
		<u>\$5,350,287</u>

Liabilities

The Provincial Bank of Canada	\$ 439,264	
Accrued bond interest	101,750	
Current portion of long-term debt redeemable November 1, 1968	100,000	
Provision for income taxes	300	\$ 641,314
First mortgage sinking fund bonds — Series "B" — 5½% maturing November 1st, 1986	3,700,000	
Less: Sinking fund payment due November 1st, 1968	100,000	3,600,000
CAPITAL STOCK		
PREFERRED — Redeemable, non participating, non cumulative dividends — 4½% Authorized and issued: 10,000 shares of \$100 each	1,000,000	
COMMON		
Authorized and issued: 1,000 shares of \$100 each (Note)	100,000	
	1,100,000	
EARNED SURPLUS	8,973	1,108,973
		<u>\$5,350,287</u>

Note

The Provincial Bank of Canada owns the entire capital stock of Pro-Can Realties Limited as at October 31, 1968. We have obtained all the information and explanations that we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Auditors' report to the shareholders

We have examined the balance sheet of Pro-Can Realties Limited as at October 31, 1968. We have obtained all the information and explanations that we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, this balance sheet presents fairly the financial

position of the company as at October 31, 1968, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Auditors:

Guy Chabot, C.A., of Raymond, Chabot, Martin, Paré et Associés
Guy Fortier, C.A., of Boulanger, Fortier, Rondeau et Cie
Montreal, November 13, 1968.

Address by the General Manager

General situation

I have the honor of submitting to you the results of the Bank's 68th fiscal year. Our marked increases in assets and profits have been achieved in an economic setting which, despite various pressures, has continued expanding for the eighth successive year.

The recent fiscal year began with many uncertainties. Expo 67 had just closed down and the Centennial year was nearing its end. Some economic difficulties were therefore to be expected. Concern was also justified by continuing inflationary pressures, and by the rising deficit in the balance of payments of our Southern neighbors, to whose economy ours is so closely related. In the course of the winter, this interdependence led us into a monetary crisis, when some people became anxious about the Canadian dollar. This crisis and the necessary remedial steps set the stage for the financial conditions that were to prevail during the year. Measures adopted by the Bank of Canada included several increases in Bank Rate, up to $7\frac{1}{2}\%$. Interest rates, already high due to the universal demand for investment capital, then reached new heights. In March, chartered banks' "prime lending rate" (the lowest rate, applicable to minimum risk loans) went up to $7\frac{1}{4}\%$, which was paradoxically still below the Bank of Canada's discount rate. The banks experienced considerable activity during that period owing to the demand for credit sustained, despite high interest rates. This explains our highly profitable first half.

During the second half, the pressure in the money market gradually lessened and we witnessed a three-stage lowering of Bank Rate from $7\frac{1}{2}\%$ back to 6% . This de-escalation was accompanied by a corresponding decline of the banks' "prime rate" from $7\frac{1}{4}\%$ to $6\frac{3}{4}\%$. The results of this period were therefore strongly influenced by the prevailing unusually high rates.



Raymond Primeau, General Manager

Revenue, expenses and undivided profits

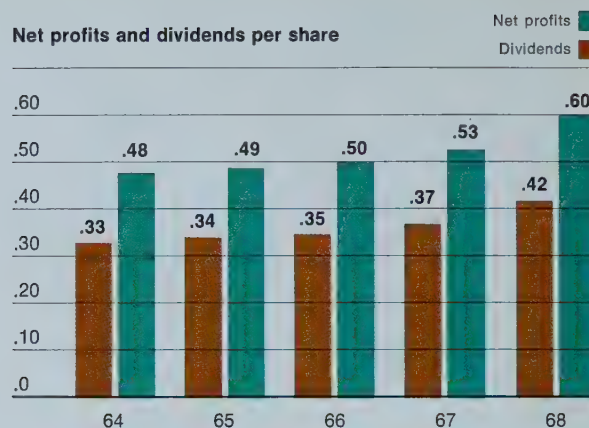
Income from loans has increased by 29.5% compared to last year and totals \$32,199,507; income from securities has increased by 25.6% to reach \$9,501,670, while other income totalling \$7,397,211 has improved by 9.6%. At \$49,098,388, the total revenue represents a general rise of 25.3% over last year. Interest expenses total \$19,319,020, or 38.5% more than the previous year. This increase must be related to the higher income from loans, since both reflect the interest rate structure. Salary expenses have grown by 14.4% to a total of \$12,994,667, while property expenses amounting to \$3,912,782 and other operating expenses of \$4,735,159 represent increases of 13.5% and 16.4% respectively. Our total expenses amount to \$40,961,628, 24.8% higher than last year.

The balance of revenue over expenses is \$8,136,760. From this amount, \$2,600,000 has been appropriated for losses, leaving \$2,696,760 after income taxes or a profit of 60 cents per share. This profit is 13% higher than last year. Total dividend payments to shareholders amounted to \$1,890,000, or 42 cents per share as compared with 37 cents last year. The balance of net profits of \$931,426 was transferred to shareholders' equity in the rest account and in undivided profits.

Appropriations for losses

Chartered banks are entitled to reserves made up of appropriations of profits on the major part of which income tax is deferred. These reserves which amounted to \$8,225,864 last year have now reached \$10,625,229. This increase in our reserves is the result of additions and reductions which appear in our statement of Appropriations for Losses. Mostly responsible for the increase is the transfer of \$2,600,000 from the year's profits, as stated earlier. On the other hand, we have increased our tax-paid reserves by \$412,412. Reaching \$10,000,000 in reserves is an important step forward which

Net profits and dividends per share



reflects the soundness of our Bank. The Federal Minister of Finance announced, in his October budget, legislation aimed at reducing the amount of bank reserves on which income tax may be deferred. If adopted, this legislation will result in banks gradually modifying their reserve structure.

Assets and liabilities

Last year, total assets were reported at \$642,455,289. During the year, they have increased by 18% to \$758,736,279. This net growth of \$116,280,990 is the largest on record for a single year. Topping the \$¾ billion mark encourages us to proceed with responsible speed on the way to our first billion.

Investment portfolio and liquid position

Our investments in securities make up approximately 24% of all our assets and include Treasury bills and Federal Government Bonds which are listed as more liquid assets by the Bank of Canada. In this connection, our percentage of liquidity which is the ratio of our more liquid assets to our major assets, has been maintained at a stable and satisfactory level during the year.

The various sections of our investment portfolio showed improved performances due to extremely fluid security markets; in March, returns on sales of 91-day Treasury Bills were 7.01%. This is in keeping with the economic situation described earlier in this presentation.

Total investments at October 31, 1968, were \$179,088,984, as compared with \$155,518,321 last year, and on an average, the percentage of our non revenue-producing assets, such as cash in hand, items in transit and bank premises, has not exceeded 7% during the year.

Loans

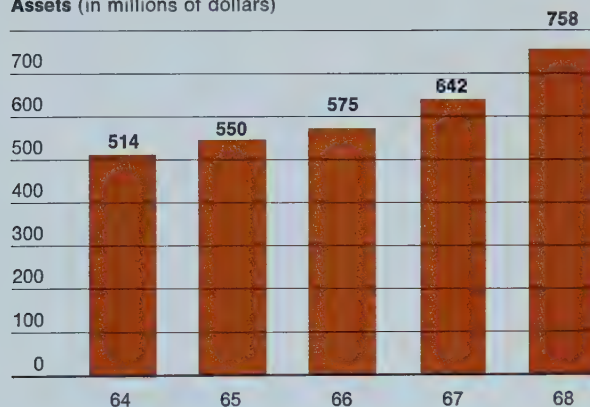
Loans totalled \$485,974,737 at October 31, 1968, as compared with \$388,160,175 at the end of the previous year, an overall increase of \$97,814,562 or 25.2%. This significant improvement

is not only due to a larger number of customers with higher credit needs, but also to our mounting popularity with a steadily growing number of small, medium and large corporate borrowers as well as with all categories of individual borrowers. Our commercial loans account naturally for the largest part of our loan portfolio. These loans totalled \$376,651,229 at October 31, 1968, as compared with \$318,158,198 a year previously, an increase of \$58,493,031, or 18.4%, during the year under review. We continue to attach great importance to the financing of goods and services through budget loans and consumer credit. Our Bank plays an important role in this area, by facilitating the expansion of economic activities in the consumer sector. Not surprisingly, our loans in this area have increased 32.8%, from \$48,519,388 to \$64,447,487, during the year under report. This is a popular class of loans with an excellent distribution. Loans to public bodies have risen during the year from \$49,829,827 to \$69,498,991.

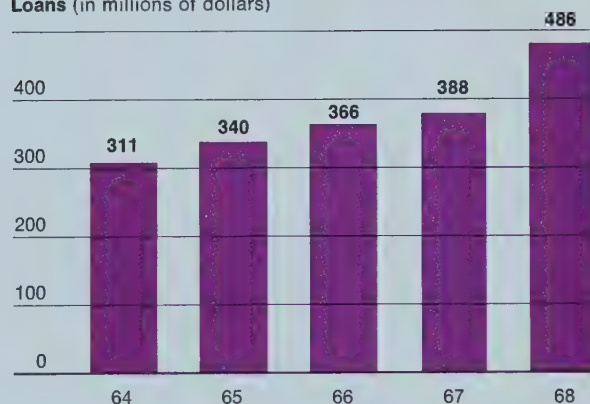
Deposits

Total deposits rose to \$712,437,332 at October 31, 1968, as compared to \$600,832,344 at the same date a year ago, representing an increase of 18.6%. It is interesting to note that deposits have increased almost three-fold over the last ten years. During the same period, Canadians have become more conscious of the higher yields offered by the new categories of deposits developed by the banks, and this in turn brought about a considerable change in the nature of deposits in chartered banks. Weekly statistics issued by the Bank of Canada on the composition of bank deposits show the trend of savings habits and enable us to direct our efforts accordingly. At year end, our personal savings deposits, at \$347,522,148, represented 48.8% of the total, while various other deposits, including those of the federal and provincial governments, and of the other banks, totalled \$364,915,184. Personal savings deposits, an element of stability in the

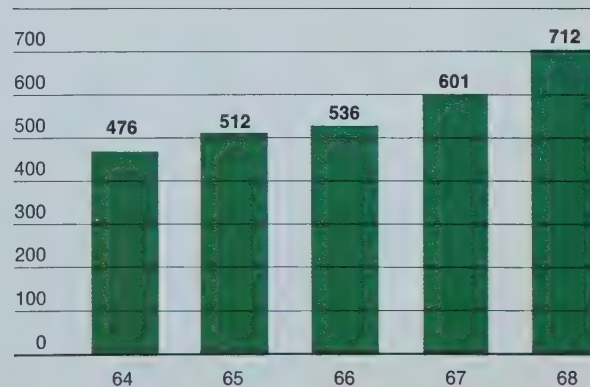
Assets (in millions of dollars)



Loans (in millions of dollars)



Deposits (in millions of dollars)





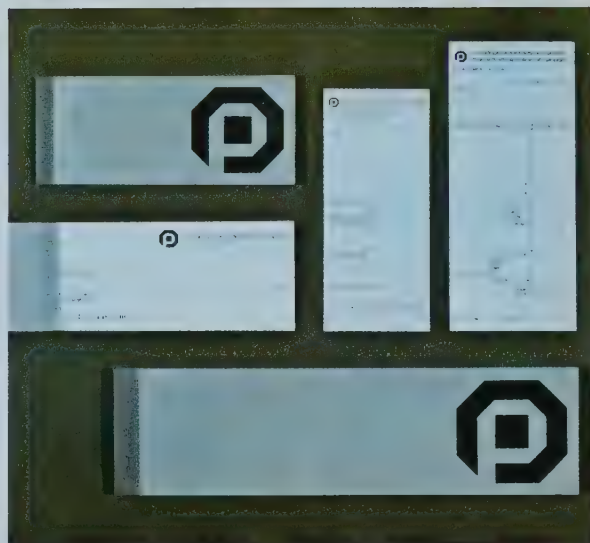
Bank's operations, are therefore our principal single source of funds, and our efforts have successfully encouraged their development.

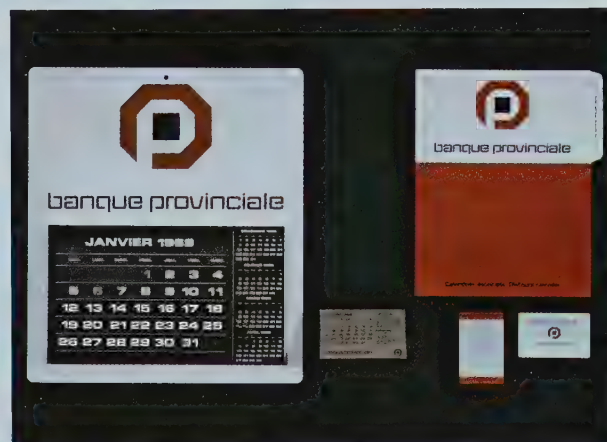
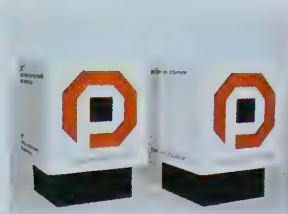
Shareholders' equity

Shareholders' equity, including capital stock, rest account and undivided profits, was \$29,331,426 at October 31, 1968. In theory, one could add to shareholders' equity the tax-paid reserve and half of the general reserve — the other half representing deferred taxes — which would increase shareholders' equity to \$34,850,246. In concluding the examination of our financial statements, I should like to point out that the rest account also passed a significant milestone when it topped the \$20 billion mark.

The new image of the Bank

Our progress in the year under review results from our efforts to consolidate and modernize our structures, and to attune our policies to the changing needs of the economy. This is why our President, Mr. Léo Lavoie, when unveiling the new Bank logo, at a press conference on September 25, 1968, spoke of this symbol as appropriately representing the new spirit of the Bank. For us, the new distinctive and dynamic, yet simple symbol is indeed a reflection of the spirit of renewal and aggressiveness which motivates us, with full recognition of the accomplishments of those who laid the foundations of the Bank and guided it through many economic hazards. This symbol has drawn favorable comment from the public and has been enthusiastically received by our personnel. To popularize the Bank's image, to publicize our new services, and to emphasize our presence, we have increased our advertising efforts. Special campaigns were conducted for the first time on television and radio, in addition to the regular media employed: newspapers, other periodicals, posters, and direct mail. The Bank also contributed to Man and His World through participation in special activities, and through the sale of visas.







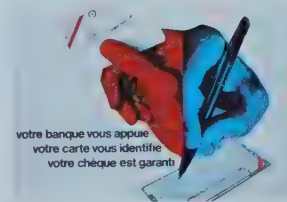
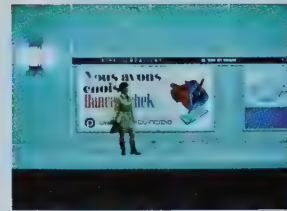
Bancardchek

I have just mentioned our advertising of new services for customers. Bancardchek is undoubtedly the most important of these and deserves some further detail.

As noted earlier, the Bank is developing particularly in the field of consumer loans and instalment buying. We want to keep increasing our share in this type of loan by meeting a need which is fairly new, namely the demand for revolving automatic credit. This is the reason why we joined Bancardchek.

The Bancardchek system was established a few years ago in the United States and rights to it are shared by several major banking institutions. In Canada, the Bank of Montreal has been promoting it for about a year. Both its popularity and profitability are well proven.

Bancardchek offers both the advantages of a guaranteed traveler's cheque but without pre-payment required, and of a credit card, with the holder enjoying the privilege of revolving credit when he has used up his bank balance. Management of Bancardchek is simple and its cost to the Bank is reasonable. There is no cost to the merchants honoring the system.



Our expanding network of branches

Our business development policy also resulted, during the year under review, in operating a larger number of bank offices. Five new branches were opened; three are located in the Montreal area (one each in Montreal North, St-Léonard (Bourget) and Saint-Laurent), one in Cornwall, Ontario, and another in Fredericton, New Brunswick. In addition, our agency in Sainte-Rose-du-Dégelis has been given full branch status. Our network of branch offices is now made up of 211 branches, 179 of which are located in the province of Quebec, 16 in Ontario, 14 in New Brunswick and 2 in Prince Edward Island. Many branches, notably Quebec-St-Roch, Maniwaki, Trois-Rivières-St-Maurice and St-Pascal, have been renovated and modernized.

With respect to agencies, we have been pursuing for some time a policy of consolidation. The principal reason is today's ease of communication, which often leads agency customers to deal with us at branches located just a few miles away, where they can obtain complete banking services. During the year under review, consolidation has resulted in the closing of 31 agencies, reducing their number to 115.

Economic research department

As regards internal organization, we have this year laid the foundation of an Economic Research Department, headed by Mr. Herbert C. Byleveld, a Canadian economist of Dutch origin with wide experience in research. In recent years, economic research departments have expanded considerably in Canadian banks. A bank economist can be of great assistance to management and customers alike. With this thought in mind, we have started issuing an internal bulletin entitled "The Economy at a Glance", which analyzes and interprets the main economic developments and trends, thus enabling our staff, particularly the managers, to better inform our customers. Copies of this publication are sent to leading newspapers and no doubt have you seen summaries in the financial pages. With the further development of our Economic Research Department, we are planning to publish next year some material for our shareholders and customers.

Safety cashier's booths

Protection of branches against hold-ups is an area calling for continuous vigilance. During the year, we have taken an important additional safety measure: the installation of specially designed, bullet-proof "safety cashier's booths", to discourage thefts and armed robberies. This is a "first" in the banking business. After a prototype of these booths was constructed and tested in one of our branches, several were immediately installed in other branches. This new device for Bank safety is being made available by the Provincial Bank to other banks and to Caisses populaires, which are also potential victims of armed thugs.

Personnel

Our greater volume of business, increased customer services and changes in management structure call for active participation and constant adjustment by all members of our personnel. The progress we achieved this year with their help is evidence of their loyalty and competence. I am happy today to extend to them our thanks and appreciation.

The Bank's personnel policies are under constant review, whether they be concerned with salaries, social benefits, professional training or human relations. Again this year, the general level of salaries was raised materially and improvements were made in our group insurance plan. We rank professional training highly and urge employees to acquire greater knowledge, with the Bank's financial assistance. Our staff are aware of today's highly competitive conditions



Address by the General Manager

and the growing complexity of business administration; they respond to our invitation in large numbers. For instance, this year 270 of our employees have registered for the courses given under the auspices of the Institute of Canadian Bankers, for a total of 360 subjects. Last year, 170 employees registered for 242 subjects. There was also an increase in the number of employees studying for a bachelor of commerce degree, or taking courses in administration, group dynamics, personality improvement and others. Our own internal professional training program has been modified to offer new courses in administration, a wider use of active teaching methods (such as case histories, seminars or forums) and finally, increased on-the-job training.

A new division was created in the personnel department to carry out research in the field of personnel management and industrial relations.

We know the magnitude of the task ahead, and realize that it must be pursued vigorously. However, a competent staff will ensure the success of our Bank and further enhance its reputation.

May I conclude this report by expressing our deep gratitude to the shareholders for their unfailing support and confidence.



The 68th Annual General Meeting: an unqualified success

All who were asked were in complete agreement on one point: the presentation of the Annual Report to the shareholders of the Provincial Bank of Canada, held at the Queen Elizabeth Hotel on December 10, 1968, was an outstanding success. It was considered the most interesting presentation within memory. This was, undoubtedly, due to the fact that the Provincial Bank revolutionized ordinary presentation methods. And the reception was very different to those normally expected by shareholders. The Provincial Bank is dynamic and forward-looking. This dynamism was reflected in the presentation of the annual report to shareholders. Firstly: the President's speech was not read aloud. It was printed, then distributed at the start of the meeting, to all those attending. The President simply gave a résumé, and expanded it with salient comments. This new twist to an old custom was greatly appreciated. The General Manager then presented the annual report, with vivid slides. These slides graphically projected, in a simple and interesting manner, the figures contained in the year's statement. A financial report is usually dry and uninteresting. Presented in this way, it was easy to follow and even exciting. Women are, on the whole, impervious to matters which involve complicated figures. Because of this animated technique, they were able to easily understand the figures under review. And, they were able to fully appreciate the huge forward leap made by the Provincial Bank

during 1968. The meeting continued with the presentation of the year's television advertising programme. Following this, the successful sound slide spectacle, "Woman and Her World", was shown. This spectacle, as many will recall, was shown by the Provincial Bank at "Man and His World", 1968. And it was enjoyed as much by men as by women!

Miss Pierrette Champoux, celebrated radio and television commentator, acted as official hostess for the Provincial Bank during this memorable day. During the cocktail reception held after the presentation, Miss Champoux interviewed several guests. The following quotes include some opinions on the 68th Annual Meeting:

Mr. Fernand Picard, 20-year shareholder of the Bank, was more than enthusiastic. "... I have been attending shareholder meetings regularly ..." he said, "... What interested me most this year was the slide presentation for the Annual Report." Mr. Picard felt that the presentation was a novel and interesting way to explain financial statements. Apparently the new image of the Bank appealed to him greatly. "The advertising", he continued, "looks young, original, pleasing, and I think it will be effective. It projects a promising picture for the Bank and its shareholders."

Mrs. Léo Lavoie, wife of the President of the Provincial Bank, said that she had attended several annual meetings for



Mr. Fernand Picard



Mrs. Léo Lavoie

shareholders. "Each year", she recalled, "the meetings become more interesting." According to Mrs. Lavoie, this year's meeting was far and away the most successful, and the slide presentation a smash hit. She is convinced that a repeat performance next year would bring every shareholder to the annual meeting. And she added: "The 'Woman and Her World' presentation was a stroke of

genius on the part of the Board of Directors."

Mr. Pierre Des Marais II, financier, found this year's annual meeting "extraordinary". According to him, the Bank succeeded in presenting usually dull speeches and facts in an attention-getting manner, through arresting visual techniques. "It shows," he stated, "that the Bank has a dynamic attitude, reflected through the use of contemporary communications methods." He also mentioned that he was extremely delighted with this dynamic attitude in the Bank, whose business is mainly conducted in Quebec. Mr. Des Marais was apparently equally impressed by the new symbol, which, in his eyes, reflects the progressive philosophy of the Bank. Finally, he predicted that the credit system adopted by the Bank would enjoy immense success. Especially in view of the fact that Bancardchek has already proved itself so well in the United States.



Mr. Pierre Des Marais II



Mrs. Raymond Primeau



Mr. P. H. Desrosiers

Mrs. Raymond Primeau, wife of the General Manager of the Provincial Bank of Canada, has attended the annual meeting of shareholders for many years. She admitted quite honestly that she had never been able to understand the meaning of the many facts and figures presented. "This year", she confided, "the presentation technique enabled everyone to assimilate the figures easily. And it was much simpler to follow this year's progress picture for the Bank." Mrs. Primeau also mentioned that the cocktail reception held at the end of the meeting added an air of friendly festivity to the entire assembly.

Mr. P. H. Desrosiers, well-known business man, made this comment on the advertising presentation: "... During this year, no Quebec, Canadian, or U.S. company has achieved more in this field. If I was asked to give awards in an advertising competition, I would present first prize to the Provincial Bank of Canada for managing to change rapidly, completely, and efficiently the image of the Bank to the average consumer ...". Mr. Desrosiers is convinced that with the help of this advertising campaign, the Bank will make even greater strides forward.

Mr. Hervé Belzile has recently been named a Director of the Provincial Bank. Interviewed about the General Meeting of Shareholders, he commented: "The image of the Provincial Bank today is outstanding. This afternoon, we attended a presentation which was nothing short of sensational. Financial statements were explained in a fresh new way. The new Bank symbol was shown and explained to us all. In my opinion, it is dynamic and extremely contemporary." Mr. Belzile added this remark: "The adoption of Bancardchek shows great initiative on the part of the Bank. It was time for the Provincial Bank to offer a credit system to its clients. I am convinced that the Bancardchek system is excellent."



Mr. Hervé Belzile

In all, the Annual General Meeting of the Shareholders was considered an unqualified success. The unanimous agreement of all those present on this point proves it. Next point. What lies ahead for 1969? The Bank's Marketing experts barely lifted the curtain on up-coming projects. They hinted at plans which will be even more surprising, even more progressive. We hope that all shareholders will be present at next year's meeting. A rendez-vous as interesting, and as pleasant as this one should not be missed.

Branches

Montreal and Suburbs

Montreal

201 St. James St. West, *J.-P. Normandin*
2675 Beaubien St. East, *D. Demers*
4250 Beaubien St. East, *A. Malfara*
5100 Beaubien St. East, *A. Assaad*
1100 Bélanger St. East, *F. Fichaud*
3255 Bélanger St. East, *R. Lachance*
200 Bernard Ave. West, *R. Morin*
C.N.R. Central Station, *J. Lamontagne*
5635 Côte St. Luc Road, *T. Zimanyi*
3538 DeLorimier Ave, *P. Leblanc*
3701 Dickens St, *R. L'Archevêque*
1390 Fleury St. East, *R. Leduc*
2201 Fleury St. East, *E. Ladouceur*
2175 Frontenac St. Y, *Poirier*
5990 Gouin Blvd. West, *G.-Y. Morin*
11244 Gouin Blvd. East, *G. Côté*
500 Henri-Bourassa Blvd. East, *G. Barbeau*
665 Jarry St. West, *A. Lazic*
2101 Jean-Talon St. East, *R. Mongeau*
855 Jean-Talon St. West, *R. Davignon*
1909 Laurier St. East, *B. Dupont*
3244 Masson St. J.-G. *Leclerc*
6150 Monk Blvd, *R. Jutras*
1396 Mount Royal Ave, East, *E. Gagnon*
1 Notre-Dame St. West, *J.-E. Bertrand*
2441 Notre-Dame St. West, *J.-M. Létourneau*
4440 Notre-Dame St. West, *R. Messier*
520 Ogilvy St. J.-G. *Tremblay*
1346 Ontario St. East, *A.-R. Larivée*

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